Venkatachalliah, Chairperson of the "National Commission to Review the Working of the Constitution", objecting to the making of such persons as members of the Commission who are linked to politics. In fact, the Members of the Commission have been selected with the knowledge and concurrence of Shri Justice M.N. Venkatachalliah.

Income tax on agricultural income

*79. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the agricultural sector has so far been kept out of the income tax net; and

(b) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) and (b) Yes, Sir. However, agricultural income is aggregated with income other than agricultural income for determining the average rate of tax chargeable on income other than agricultural income.

Parliament has exclusive power under Article 246(1) of the Constitution of India to make laws in respect of matters enumerated in List I (Union List) in the Seventh Schedule. Entry 82 of the Union List reads "taxes on income other than agricultural income". Since Parliament can tax only income other than the agricultural income, the agricultural income has been kept out of income-tax net.

Import Duty on Edible Oil

*80. SHRI S. AGNIRAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the local market of edible oil and rice bran oil is suffering due to free import of oil from overseas market;

(b) what steps are being taken to increase the import duty on edible oil to protect the local manufacturers;

(c) whether it is also a fact that even though there is enough edible oil available, Government is still allowing imports; and

(d) if so, what steps are being taken to save the perennial problem facing the local market?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) and (c) Import of edible oils has been allowed under OGL to bridge the demand supply gap and ensure availability of edible oils at reasonable prices to consumers.

(b) and (d) Some of the important steps taken recently by the Government to protect the local manufacturers are:

(i) With effect from 30.12.1999, the import duty on refined edible oils has been raised from 16.5% to 27.5%.

(ii) Actual user condition has been stipulated for import of crude vegetable oils. Accordingly, crude vegetable oils are permitted for import at the concessional rate of 16.5% only by refiners or manufacturers of vanaspati; and

(iii) With effect from 21.2.2000, crude palm oil has been allowed to be imported only by the manufacturers of vanaspati.

The basic objectives of the increase in import duty and stipulation of actual user condition have been to improve the health of vegetable oil industry by ensuring better capacity utilization and value addition. The stipulation of actual user condition is expected to put a check on the unrestrained import of edible oils. This coupled with the fact that oilseeds attract the peak rate of duty of 40% would ensure better remuneration for his produce to the farmer.